



Avid Posts Record First Quarter Revenues and Earnings

TEWKSBURY, Mass.--(BUSINESS WIRE)--April 15, 2004--Avid Technology, Inc. (NASDAQ: AVID) today reported record first quarter revenues and earnings. Net income for the three months ended March 31, 2004 was \$14.7 million, or \$.44 per diluted share, on revenues of \$127.4 million. This compares to net income of \$5.5 million, or \$.18 per diluted share, on revenues of \$112.2 million for the corresponding quarter in 2003.

The 14% year-over-year increase in Avid's revenues is due to strong sales broadly across the company's video and audio product lines - including the new Avid DNA™ family of video editing solutions, Avid's broadcast and newsroom products, the Avid Unity™ suite of shared-storage solutions, and Digidesign's® home and project studio systems.

"For two consecutive quarters, Avid has delivered record revenues and earnings," said David Krall, Avid's president and chief executive officer. "Year-over-year, our revenues were up 16% for the video segment and 8% for the audio segment, and our overall gross margins were up more than four percentage points. This operating leverage resulted in a 165% increase in our operating income from one year ago. These results come at a great time for Avid, as we prepare to showcase our latest products, technologies, and innovations at next week's National Association of Broadcasters convention."

Conference Call

A conference call to discuss Avid's first quarter 2004 financial results and the company's outlook for the balance of 2004 will be held today, April 15th at 5:00 p.m. EDT. The call will be open to the public. The conference call can be accessed by dialing (719) 457-2692 and referencing confirmation code 564316. The call and subsequent replay will also be available on Avid's Web site. To listen via this alternative, go to the Investors page under the Company menu at www.avid.com for complete details 10-15 minutes prior to the start of the conference call.

About Avid Technology, Inc.

Avid Technology, Inc. is the world leader in digital nonlinear media creation, management and distribution solutions, enabling film, video, audio, animation, games, and broadcast news professionals to work more efficiently, productively and creatively. For more information about the company's Oscar®, Grammy®, and Emmy® award-winning products and services, please visit: www.avid.com.

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AVID TECHNOLOGY, INC.

Condensed Consolidated Statements of Operations
(in thousands, except per share data)

	Three Months Ended March 31,	
	2004	2003
	(unaudited)	(unaudited)
Net revenues	\$127,374	\$112,177
Cost of revenues	54,103	52,227
Gross profit	73,271	59,950
Operating expenses:		
Research and development	22,292	21,699

Marketing and selling	29,854	25,264
General and administrative	5,886	5,345
Restructuring and other costs, net		1,783
Amortization of acquisition-related intangible assets	439	293
Total operating expenses	58,471	54,384
Operating income	14,800	5,566
Interest and other income (expense), net	(560)	231
Income before income taxes	14,240	5,797
Provision for (benefit from) for income taxes	(500)	300
Net income	\$14,740	\$5,497
Net income per common share - basic	\$0.47	\$0.20
Net income per common share - diluted	\$0.44	\$0.18
Weighted average common shares outstanding - basic	31,202	27,604
Weighted average common shares outstanding - diluted	33,740	29,860

AVID TECHNOLOGY, INC.
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2004	December 31, 2003
	(unaudited)	
ASSETS:		
Current assets:		
Cash and marketable securities	\$170,024	\$196,309
Accounts receivable, net of allowances of \$8,714 and \$9,161 at March 31, 2004 and December 31, 2003, respectively	74,892	69,230
Inventories	35,818	38,292
Prepaid and other current assets	13,907	13,181
Total current assets	294,641	317,012
Property and equipment, net	25,159	23,223
Acquisition-related intangible assets, net	50,728	5,150
Other assets	5,602	2,734
Total assets	\$376,130	\$348,119
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$19,843	\$15,755
Accrued expenses and other current liabilities	51,936	59,709
Deferred revenues	57,871	44,943
Total current liabilities	129,650	120,407
Long term liabilities, less current portion	470	607
Total stockholders' equity	246,010	227,105
Total liabilities and stockholders' equity	\$376,130	\$348,119

CONTACT: Avid Technology, Inc.

Dean Ridlon, 978-640-5309
Investor_Relations@avid.com

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